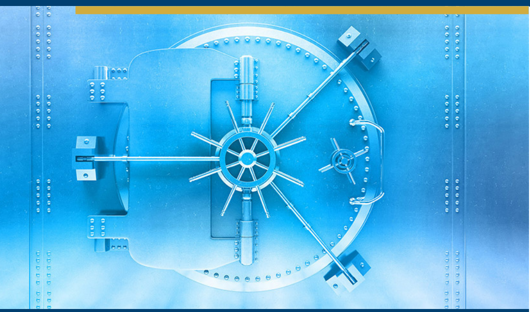
Polar Capital Global Financials Trust plc



Trust Fact Sheet

Ordinary Shares

Share Price	138.20p
NAV per share	152.81p
Premium	-
Discount	-9.56%
Capital	314,167,000 shares of 5p*

*Excluding Ordinary shares held in treasury

Assets & Gearing [1]

Total Net Assets	£480.1m
AIC Gearing Ratio	5.84%
AIC Net Cash Ratio	n/a

Fees

Management	0.70%
Performance	10.00%
Ongoing Charges	0.87%

Historic Yield (%) [2] 3.26

Dividends (pence per share)

August 2023 (Paid)	2.45
February 2023 (Paid)	2.05
August 2022 (Paid)	2.40
February 2022 (Paid)	2.00

Fund Managers

Nick Brind
Fund Manager
Nick has co-managed the Trust since launch, he joined Polar Capital in 2010 and has 29 years of industry experience.

George Barrow
Fund Manager
George has co-managed the Trust since 2020, he joined Polar Capital in 2010 and has 15 years of industry experience.

John Yakas
Adviser
John co-managed the Trust from launch until June 2023. He has 35 years of industry experience.

ALPHA MANAGER 2020
John Yakas

Trust Profile

Investment Objective

The Company's investment objective is to generate for investors a growing dividend income together with capital appreciation.

Key Facts

- The only UK-listed Investment Trust solely focused on financials
- Twin objectives of growing investors' dividend income and capital
- A broad, global multi-cap remit
- Large dedicated investment team with over 95 years of experience in the sector

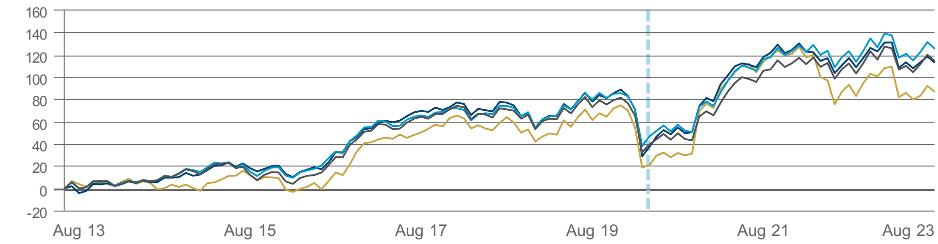
Investment Policy

The Company will seek to achieve its objective by investing primarily in a global portfolio consisting of listed or quoted securities issued by companies in the financials sector operating in the banking, insurance, property and other sub-sectors.

Performance

Performance Since Launch (%)

Ordinary Share Price (TR) [3]   NAV per Share (TR)
Benchmark (NTR) [4]   MSCI ACWI Financials (NTR) [5]



	1m	3m	YTD	1yr	3yrs	Since Tender[6]	Since Launch
Ordinary Share Price (TR)	-2.60	4.02	-6.72	-3.10	41.91	56.42	87.15
NAV per Share (TR)	-2.42	2.55	-4.43	-1.80	37.70	63.38	113.35
Benchmark (NTR)	-2.53	4.95	-0.52	1.05	43.43	60.71	125.80
MSCI ACWI Financials (NTR)	-2.53	4.95	-0.52	1.05	43.43	60.71	114.69

Discrete Annual Performance (%)

	Financial YTD	31.08.22 31.08.23	31.08.21 31.08.22	28.08.20 31.08.21	30.08.19 28.08.20	31.08.18 30.08.19
Ordinary Share Price (TR)	-7.86	-3.10	-9.73	62.24	-18.39	-1.52
NAV per Share (TR)	-5.75	-1.80	-0.47	40.88	-13.02	0.51
Benchmark (NTR)	-3.89	1.05	3.20	37.53	-12.43	3.13
MSCI ACWI Financials (NTR)	-3.89	1.05	3.20	37.53	-13.56	1.18

Calendar Year Performance (%)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Ordinary Share Price (TR)	-9.21	25.38	0.85	23.02	-13.01	16.16	28.52	8.94	-3.21	-
NAV per Share (TR)	-0.57	23.77	-3.98	22.07	-10.59	12.85	27.23	8.22	6.49	-
Benchmark (NTR)	1.52	25.50	-4.05	20.21	-10.14	10.97	30.07	2.22	9.58	-
MSCI ACWI Financials (NTR)	1.52	25.50	-6.75	18.49	-10.42	13.34	31.94	-1.07	8.43	-

Performance relates to past returns and is not a reliable indicator of future returns.
Source: Bloomberg & HSBC Securities Services (UK) Limited, percentage growth, Net of Fees in GBP terms.
The Net Asset Value (NAV) at launch was 98.0p per ordinary share based on the subscription price of 100.0p per ordinary share and launch costs of 2.0p per ordinary share.
1. Gearing calculations are exclusive of current year revenue.
2. The Historic Yield reflects distributions declared over the past twelve months as a percentage of the share price, as at the date of this fact sheet. It does not include any initial charge and investors may be subject to tax on their distributions.
3. Ordinary share price (TR) is calculated by reinvesting dividends at relevant ex-dividend dates, not taking into account returns shareholders would have received from the subscription shares issued at launch. Please note subscription shares were subject to a single exercise date being 31 July 2017.
4. Benchmark data above illustrates linked performance of the following benchmarks utilised by the Trust: Launch to 31 August 2016: MSCI World Financials Index; 1 September 2016 to 22 April 2020: MSCI World Financials + Real Estate Index; and since 23 April 2020: MSCI ACWI Financials. All indices are net total return (£).
5. The performance of the MSCI ACWI Financials Net Total Return Index (£) excluding Real Estate prior to August 2016 is shown for illustrative purposes only.
6. The tender offer carried out on 22 April 2020 following approval to extend the Company's life indefinitely is represented by the blue dotted line on the performance graph. From 23 April 2020 the performance fee is calculated on outperformance of the benchmark index +1.5% per annum, compounded annually.

Risk Warning Your capital is at risk. You may not get back the full amount you invested. Please note the Risks and Important information at the end of this document, and the Investment Policy and full Risk Warnings set out in the Prospectus, Annual Report and/or Investor Disclosure Document.

FE Alpha Manager Ratings do not constitute investment advice offered by FE and should not be used as the sole basis for making any investment decision.

Portfolio Exposure

As at 31 August 2023

Top 10 Positions (%)

JPMorgan	6.0
Mastercard	5.5
Berkshire Hathaway	4.8
Visa	4.1
HDFC Bank	3.7
Chubb	3.5
HSBC Holdings	2.9
Marsh McLennan	2.4
Wells Fargo	2.3
AIB Group	2.2
Total	**37.3**

Total Number of Positions **92**

Active Share **64.23%**

Market Capitalisation Exposure (%)

Large (>US$ 5 bn)	90.2
Medium (US$0.5 bn - 5 bn)	8.5
Small (<US$ 0.5 bn)	1.3

Trust Characteristics

Launch Date	01 July 2013
Year End	30 November
Results Announced	Late Jan/Feb
Next AGM	March-May
Trust Term	No fixed life; 5 yearly tender offers
Next Tender Offer	30 June 2025
Listed	London Stock Exchange

Benchmark

MSCI ACWI Financials Net Total Return Index (in Sterling)

Codes

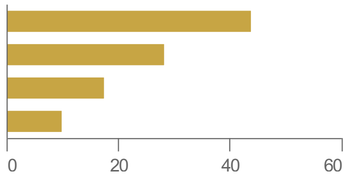
Ordinary Shares

ISIN	GB00B9XQT119
SEDOL	B9XQT11
London Stock Exchange	PCFT

Discount Warning The shares of investment trusts may trade at a discount or a premium to Net Asset Value for a variety of reasons including market sentiment and market conditions. On a sale you could realise less than the Net Asset Value and less than you initially invested.

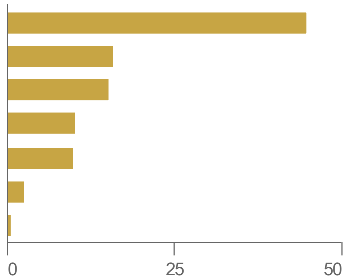
Sector Exposure (%)

Banks	44.1
Financial Services	28.4
Insurance	17.5
Fixed Income	10.0



Geographic Exposure (%)

North America	45.0
Europe	15.9
Asia Pac (ex-Japan)	15.4
UK	10.4
Fixed Income	10.0
Japan	2.8
Latin America	0.6



The entire investment portfolio is published in the annual and half year report as well as being announced to the London Stock Exchange on a quarterly basis.

Note: Totals may not sum due to rounding. It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Investing in the Trust and Shareholder Information

Market Purchases

The ordinary shares are listed and traded on the London Stock Exchange. Investors may purchase shares through their stockbroker, bank or other financial intermediary.

Share Dealing Services

Details of the different ways of dealing in the company's shares are given on the website. Equiniti, the company's registrars provide an internet share sale service.

Telephone 0800 876 6889
Online www.shareview.co.uk

Corporate Contacts

Registered Office and Website
16 Palace Street, London SW1E 5JD
www.polarcapitalglobalfinancialstrust.com

Registrar
Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA
www.shareview.co.uk

Custodian
HSBC Plc is the Depositary and provides global custody of all the company's investments.

Fund Managers' Comments

Market review

August was a weak month for financial markets, albeit for UK investors this was partly offset by sterling weakness. Fitch's one notch downgrade of the US government's credit rating to AA+, weaker than expected economic data in China and the US 10-year Treasury yield rising to its highest level since 2007 with Federal Reserve officials noting they viewed upside risks to inflation leaving open the possibility of additional hikes, all hit sentiment.

US financials fell 1.3% in August, led by weakness in the banking sector following a strong recovery in the preceding two months. While second quarter results came in largely ahead of expectations, sentiment was affected by downgrades to credit ratings of certain US banks by S&P and Moody's, along with concern on higher capital requirements related to Basel 4 following the publication of proposals by US regulators.

While capital levels under the proposals will move higher, the average increase of 16% is lower than the 20% previously guided and the full implementation deadline of July 2028 gives a longer phase-in time than expected. There is dissent among regulators suggesting this could be modified but consequently we do not expect the regulatory changes to have a material impact on overall capital return plans, albeit we could see individual banks adjusting buybacks in the near term.

Asian markets fell 3.4% over the month, affected primarily by a selloff in China, with Chinese financials falling 8.9% following a further deterioration in economic data. The post-pandemic recovery has continued to disappoint, with weakness across the property sector (June sales -28% y/y among the 100 largest developers) with real estate and associated sectors representing 30% of China's GDP.

With youth unemployment rising (21.3% in June), geopolitical tensions and a weakening external environment impacting exports, the incremental stimulus measures deployed are not considered sufficient to tackle the structural issues in the economy. The Trust is underweight China – exposure is primarily through the life insurers **AIA Group** and **Prudential**, and **HSBC Holdings** which we have reduced in recent months.

European financials were down 2.9% over the month led by banks, in part due to profit-taking but the announcement that the Italian government would be bringing in a bank tax also hit sentiment. European banks have performed well this year as the impact of higher interest rates on their net interest income has fed through to much higher earnings. The income they earn from loans and securities has risen faster than the increased cost of their funding, as banks have not needed to pass on as much of the increase in interest rates to their depositors.

Insurers were resilient over the month. They continue to benefit from a supportive pricing environment where insurance rate rises, outside motor insurance, are in excess of claims inflation while interest rate rises are flowing through into higher investment yields. Uncertainty on the outlook, reflected in a sharp drop in European PMI data released during the month, has also led to some rotation from the banking sector into non-life insurance, reflecting the latter's more defensive attributes.

Fund review

Against this background, the Trust's net asset value fell 2.4%, marginally less than the wider financial sector. On an absolute basis, **Mastercard** was a positive contributor to performance although gearing was a drag, as was **HSBC Holdings** which fell on China concerns.

Relative to the benchmark, the Trust benefitted from not having a position in Block (formerly known as Square), the payments company whose shares were very weak, while not having a position in UBS Group, which performed strongly over the month following a positive update on its acquisition of Credit Suisse, detracted from performance.

We made a number of small changes over the month, reducing gearing slightly and adding to our holding in **RenaissanceRe Holdings**, a Bermuda-based reinsurer. There has been a significant number of catastrophe events in 2023 so far and the cost of these is falling, for the most part, on primary insurers as attachment points have been raised. The share prices of reinsurers have been lacklustre of late and we would expect that to unwind as we pass peak hurricane season. We also reduced some of our exposure to Asia during the month, reducing holdings in **Bank Central Asia, Bank Rakyat Indonesia** and **HDFC Bank** as well as those highlighted above.

Outlook

While the outlook remains uncertain, we continue to see valuations across much of the sector at odds with fundamentals and not reflecting the improvement in profitability and shareholder returns associated with the strengthening in balance sheets and shift in longer-term inflation and interest rate environments. With valuations already implying a significant deterioration in the economic environment (banks in the US and Europe are trading at or close to record discounts to the wider equity market), we see support from delivery on capital return plans and resilience in asset quality supported by tighter credit controls, lower risk-weighted asset growth and higher precautionary provisioning.

Nick Brind, John Yakas & George Barrow

8 September 2023

It should not be assumed that recommendations made in future will be profitable or will equal performance of the securities in this document. A list of all recommendations made within the immediately preceding 12 months is available upon request.

Risks

- Investors' capital is at risk and there is no guarantee the Company will achieve its objective.
- Past performance is not a reliable guide to future performance.
- The value of investments may go down as well as up.
- Investors might get back less than they originally invested.
- The value of an investment's assets may be affected by a variety of uncertainties such as (but not limited to): (i) international political developments; (ii) market sentiment; and (iii) economic conditions.
- The shares of the Company may trade at a discount or a premium to Net Asset Value.
- The Company may use derivatives which carry the risk of reduced liquidity, substantial loss and increased volatility in adverse market conditions.
- The Company invests in assets denominated in currencies other than the Company's base currency and changes in exchange rates may have a negative impact on the value of the Company's investments.
- The Company invests in a concentrated number of companies based in one sector. This focused strategy can lead to significant losses. The Company may be less diversified than other investment companies.
- The Company may invest in emerging markets where there is a greater risk of volatility than developed economies, for example due to political and economic uncertainties and restrictions on foreign investment. Emerging markets are typically less liquid than developed economies which may result in large price movements to the Company.

Glossary

Active Share, a measure of how actively a portfolio is managed, is the percentage of the portfolio that differs from its benchmark. It is calculated by deducting from 100 the percentage of the portfolio that overlaps with the benchmark. An active share of 100 indicates no overlap with the benchmark and an active share of zero indicates a portfolio that tracks the benchmark.

Alpha is the excess return on an investment in the Company compared to the benchmark and can be used as a measure of performance, where the benchmark is considered to represent the market's movement as a whole.

Derivates are instruments whose value is linked to another investment, or to the performance of a stock exchange or to some other variable factor, such as interest rates.

Discount is where the share price of an investment company is lower than the net asset value per share.

Discrete Performance is the percentage performance of an investment over specific, defined time periods.

Emerging markets are countries that are progressing toward becoming advanced, usually shown by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

Gearing is all external borrowings of the Company and any subsidiaries.

Management Fee is the entitlement of the Investment Manager to an annual management fee. Please see the Explanation of Fee Arrangements available on the Company's website for further information, found at: https://www.polarcapitalglobalfinancialstrust.com/Key-Information/#/Overview

"NAV" or **"Net Asset Value"** has the value of all assets of the Company less liabilities to creditors (including provisions for such liabilities) determined in accordance with the Company's accounting policies, applicable accounting standards and the Company's constitution.

Ongoing Charges are the measure of what it costs to invest in the Company, including the Management Fee and other operating costs.

Premium is where the share price of an investment company is higher than the net asset value per share.

For a complete glossary of investment terms, please refer to the Trust's website: https://www.polarcapitalglobalfinancialstrust.com/Glossary/

Important Information

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Performance and Holdings All data is as at the document date unless indicated otherwise. Company holdings and performance are likely to have changed since the report date. Company information is provided by the Investment Manager.

Benchmark The Company is actively managed and uses the MSCI ACWI Financials Net TR Index as a performance target and to calculate the performance fee. The benchmark has been chosen as it is generally considered to be representative of the investment universe in which the Company invests. The performance of the Company is likely to differ from the performance of the benchmark as the holdings, weightings and asset allocation will be different. Investors should carefully consider these differences when making comparisons. Further information about the benchmark can be found www.mscibarra.com.

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Further Information about the Company Investment in the Company is an investment in the shares of the Company and not in the underlying investments of the Company. Further information about the Company and any risks can be found in the Company’s Key Information Document, the Annual Report and Financial Statements and the Investor Disclosure Document which are available on the Company’s website, found at: https://www.polarcapitalglobalfinancialstrust.com